

### ***Caution: DRAFT FORM***

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**SCHEDULE D**  
**(Form 1120)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to Form 1120, 1120-A, 1120-F, 1120-FSC, 1120-H,  
1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT,  
1120-RIC, 1120-SF, 990-C, or certain Forms 990-T.

OMB No. 1545-0123

**2004**

Name

Employer identification number

**Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less**

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				2
3	Short-term gain or (loss) from like-kind exchanges from Form 8824 . . . . .				3
4	Unused capital loss carryover (attach computation) . . . . .				4 ( )
5	Net short-term capital gain or (loss). Combine lines 1 through 4 . . . . .				5

**Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year**

6					
7	Enter gain from Form 4797, column (g), line 7 or 9 . . . . .				7
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .				8
9	Long-term gain or (loss) from like-kind exchanges from Form 8824 . . . . .				9
10	Capital gain distributions (see instructions) . . . . .				10
11	Net long-term capital gain or (loss). Combine lines 6 through 10 . . . . .				11

**Part III Summary of Parts I and II**

12	Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11) . . . . .	12	
13	Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5) . . . . .	13	
14	Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns . . . . .	14	

**Note:** If losses exceed gains, see **Capital losses** on page 2.

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Schedule**

Use Schedule D to report sales and exchanges of capital assets and gains on distributions to shareholders of appreciated capital assets.

**Note:** For more information, see Pub. 544, *Sales and Other Dispositions of Assets*.

**Other Forms the Corporation May Have To File**

Use Form 4797, *Sales of Business Property*, to report the following:

- The sale or exchange of:

1. Property used in a trade or business;
  2. Depreciable and amortizable property;
  3. Oil, gas, geothermal, or other mineral property; and
  4. Section 126 property.
- The involuntary conversion (other than from casualty or theft) of property and capital assets held for business or profit.
  - The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of the corporation's trade or business.
  - The section 291 adjustment to section 1250 property.

Use Form 4684, *Casualties and Thefts*, to report involuntary conversions of property due to casualty or theft.

Use Form 6781, *Gains and Losses From Section 1256 Contracts and Straddles*, to report gains and losses from section 1256 contracts and straddles.

Use Form 8824, *Like-Kind Exchanges*, if the corporation made one or more "like-kind" exchanges. A like-kind exchange occurs when the corporation exchanges business or investment property for property of a like kind. For exchanges of capital assets, include the gain or (loss) from Form 8824, if any, on line 3 or line 9.